

CHAPTER 2: PERFORMANCE HIGHLIGHTS

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2.1 INTRODUCTION

The Municipal Systems Act 32 of 2000, the Local Government: Municipal Planning and the Performance Management Regulations 2001, require municipalities to adopt a performance management system. Once the IDP and budget have been prepared and approved, the Municipality prepared a Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates quarterly performance targets, financial performance targets and assigns responsibility to execute the respective performance targets. The Municipality assessed its performance on a quarterly basis and reported progress on performance against targets set to Council and ultimately presents the annual performance in this annual report.

This chapter speaks to the performance highlights in terms of the Municipality's IDP, performance on basic service delivery and backlogs addressed the MIG projects as well as the spending priorities for the following year. It addresses the communication and public participation processes of the Municipality to give a holistic view of how the Municipality communicates performance to its stakeholders.

2.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.2.1 Communication

Public participation is of critical importance to governance and effective delivery in the municipal area. The Knysna Municipality developed a communication strategy including systems to communicate with all its stakeholders. The Municipality held regular engagements with local communities and ensured that their inputs were taken into account. Public participation events during the year under review were participative and informative.

The communication strategy of the municipality has the following objectives:

- Deliver high standards of communication and information provision through regular communication with municipal staff, local residents, decision makers, stakeholders and our partners.
- Ensure that the communication process is accessible, open and transparent while enabling the Municipality to provide information which informs its decisions, policies, plans and activities.

- Empower local communities by keeping them informed about local government issues and how they can participate in these processes.
- Improve and encourage good media relations.
- Promote and encourage intergovernmental relations.
- Establish a comprehensive diary of events for the municipality.
- Promote a clear understanding of the Municipality's vision, aims and objectives.
- Provide a framework wherein communities have the opportunity to contribute to the decision making process.

The strategy also makes provision for the following external communication documents:

| METHOD OF COMMUNICATIONS | DESCRIPTION |
|---------------------------------------|---|
| 1. Newsletter | <ul style="list-style-type: none"> • It is one of the most important tools for the Municipality in communicating with residents, published quarterly and distributed to all the citizens in the Knysna area. It is available at libraries. In addition it is distributed in all languages by the Ward Councillors |
| 2. Publicity and information leaflets | <ul style="list-style-type: none"> • These include promotional material, strategy documents and statutory information to inform the public and partners about municipal activities. |
| 3. Agendas, reports and minutes | <ul style="list-style-type: none"> • these are issued for meetings of Council which can be attended by the public. |
| 4. Media Relations | <ul style="list-style-type: none"> • Media releases and feature material - produced or originated corporately or in conjunction with the Political leadership. |
| 5. Advertising | <ul style="list-style-type: none"> • Produced for information and promotional purposes. It is also used to promote and market the Municipality and decisions taken. |
| 6. Website and E-Communication | <ul style="list-style-type: none"> • Using the Municipality's Website to communicate and market the area. Dedicate one or two pages to the social and economic development of the youth. Highlight strategic messages on the home page. |
| 7. Face-to-face | <ul style="list-style-type: none"> • Consultation exercises, Imbizo, road shows, focus groups, regular meetings, questionnaires etc. These gather information and views from various groups and sections of the community. They are also used for communicating and discussing local issues, performance management and scrutiny and for directing and informing service development and delivery. |
| 8. Contact strategy | <ul style="list-style-type: none"> • This strategy outlines the communications channels within the municipality i.e. – what are the channels available to media and public to contact the municipality, get information and for general enquiries. |

2.2.2 Public Participation and IGR

Broader community participation was also enhanced with engagements through the following structures, media, publications and other communication tools:

| Structure/ Publication | Frequency | Stakeholders | Objectives/ functions |
|--|---|--|---|
| Ward Committee meetings | Bi-monthly | <ul style="list-style-type: none"> • Ward councillors (Chairpersons) • Ward committee members (Elected from the community) • Community • Senior management personnel of municipality | <ul style="list-style-type: none"> • To inform the community of council decisions, municipal affairs etc. • To enable the community to inform the ward councillor/ municipality of their concerns. |
| Public meetings/ Mayoral Imbizo's on IDP & Budget | Annually | <ul style="list-style-type: none"> • Mayor and councillors • Community • Senior management personnel of municipality • Ward Councillors, • Executive Mayor | <ul style="list-style-type: none"> • To inform the community of council decisions, community rights and duties, municipal affairs etc. • To enable the community to inform the councillors and officials of their issues. |
| Council meetings (open to public) | <ul style="list-style-type: none"> • 31 July 2008 • 10 September 2008 • 2 October 2008 • 31 October 2008 • 11 December 2008 • 29 January 2009-26 March 2009-29 May 2009 • 25 June 2009 • 30 June 2009 | <ul style="list-style-type: none"> • Mayor and councillors • Senior management personnel of municipality | <ul style="list-style-type: none"> • To inform the community of council decisions, community rights and duties, municipal affairs etc. |
| Special IDP and budget engagements | Annually | <ul style="list-style-type: none"> • Mayor and councillors • Community • Senior management personnel of municipality | <ul style="list-style-type: none"> • To inform the community of IDP and budget related matters • To obtain community input on content of IDP and proposed. |
| Municipal newsletters | Monthly | <ul style="list-style-type: none"> • Mayor and councillors • Community • Personnel of municipality | <ul style="list-style-type: none"> • To inform the community of council decisions, events, municipal affairs etc. |
| Municipal Website | Continuously updated | <ul style="list-style-type: none"> • Mayor and councillors • Community • Personnel of municipality | <ul style="list-style-type: none"> • To provide comprehensive information of municipal affairs |

| Structure/ Publication | Frequency | Stakeholders | Objectives/ functions |
|---------------------------------------|-----------|--|---|
| IDP forum | Quarterly | Representatives of: <ul style="list-style-type: none"> • National and provincial Directorates • Community base organizations • NGO's • Political parties • Ward Committees • Business Sector • Eden District Municipality | <ul style="list-style-type: none"> • To ensure that every activity and decision taken in its meetings are properly communicated to the forum members' respective constituencies • To monitor the implementation of the Integrated Development Plan. • To reflect and safeguard community inputs by acting as the spokespersons for the communities. • To represent the interests of their communities. • To provide feedback to their communities • To provide an organisational mechanism for discussion, negotiation and decision making between stakeholders, including the municipal government. • To participate in the process of setting and monitoring key performance indicators. |
| Sector Government Directorates | Quarterly | Relevant Provincial and National Government Sector Directorates | <ul style="list-style-type: none"> • To inform Knysna Municipality of their projects that will be undertaken within our municipal jurisdiction. • To integrate Provincial and National Government projects and programmes. • To allow Government Directorate to make input into IDP instead of just evaluating and assessing our IDP. |

Table 12: Public participation tools

The Knysna Municipality also participates actively in the following IGR structures:

| STRUCTURE | MUNICIPAL REPRESENTATIVE |
|--|--|
| Premier's Coordinating Forum | Municipal Manager and Executive Mayor |
| Provincial Advisory Forum | MM and Executive Mayor |
| Eden District Coordinating Forum | Executive Mayor & Speaker |
| Eden District Intergovernmental Forum | MM, Executive Mayor and Speaker |
| Eden District Communication Forum | Manager Public Participation |
| Eden District and Provincial IDP Forums | Director Strategic Services & IDP Manager |
| The Local Government MTECH process | MM and Directors |
| District Intergovernmental Technical Forum | MM |
| Municipal Managers Forum | Municipal Manager |
| SALGA Forums | MM, Directors and Members of the Mayoral Committee |
| CFO Forum | Director: Financial Services as Chief Financial Officer |
| MIG forum | Director: Technical Services |
| PROFTECH | Director: Technical Services |
| Eden District Public Transport Forum | Director: Technical Services |
| Eden District CFO Forum | Director Finance |
| Eden District HR Management Forum | (Manager HR & Director Corporate Services) |
| Eden District Local Economic Development Forum | Director Strategic Services & LED Manager |
| District Legal Advisors Forum | (Manager Legal Services) |
| Water Forums | Gouritz Water Catchment Forum, Wilderness Lakes, Knysna Catchment Management Forum |
| Provincial IDP Managers Forum | IDP Manager & Director Strategic Services |

2.3 PERFORMANCE IN TERMS OF THE NATIONAL KPA's

The performance of the municipality against the National KPA's can be summarised as follows:

| KPA & INDICATORS | MUNICIPAL ACHIEVEMENT |
|---|--|
| <u>Basic Service Delivery</u> | 100% - Urban 85% - Informal |
| (a) The percentage of households with access to basic level of water (<i>This also includes non municipal water sources</i>)(URBAN AREAS) | |
| (b) The percentage of households with access to basic level of sanitation(URBAN AREAS) | 100% - Urban 85% - Informal |
| (c) The percentage of households with access to basic level of electricity | 98% |
| (d) The percentage of households with access to basic level of solid waste removal (URBAN AREAS) | 100% |
| (e) The percentage of households earning less than R1100 per month with access to free basic services(URBAN AREAS) | 100% |
| <u>Municipal Institutional development and transformation</u> | |
| (a) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | 5 |
| (b) The percentage of a municipality's budget actually spent on implementing its workplace skills plan | 0.2% |
| <u>Local economic development</u> | |
| The number of jobs created through municipality's local, economic development initiatives including capital projects | 763 |
| <u>Municipal financial viability and management</u> | |
| Financial viability as expressed by the following ratios: | 8.8 : 1 |
| • Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year) | |
| • Service debtors to revenue – (Total outstanding service debtors/ revenue received for services) | 0.26 : 1 |
| • Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure) | 2.1 : 1 |
| <u>Good governance and public participation</u> | |
| The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (internal capital allocation) | 88% |

Table 13: Performance against National KPA's

2.4 PERFORMANCE HIGHLIGHTS PER MAIN FUNCTIONAL DIVISION

High-level performance highlights with regard to the various main functional divisions in the Municipality are indicated in the table below:

| Directorate/ Functional division | Highlights 2008/09 |
|--|--|
| Municipal Manager | <p>1. <u>Good Governance:</u></p> <ul style="list-style-type: none"> • The Council is committed to clean administration and sound corporate governance, with directorates headed by experienced executives. • The Council has stayed well within its budget targets and has shown a prudent approach to revenue and expenditure, taking into account its service responsibilities. It applies sophisticated financial, debt and liquidity management practices, while reporting is comprehensive and timely. |
| Corporate Services | <p>1. <u>Bursaries & Learnerships</u></p> <ul style="list-style-type: none"> • Awarding of bursaries to 6 learners from the previous disadvantaged areas in the technical fields of Town planning, Civil and Electrical Engineering and Building Construction • The issuing of bursaries to local students on scarce skills has jumped from only one student registered for town planning last year to an additional six students registered in civil, electrical, building construction engineering fields. This will go a long way not only provide scarce skills for a Knysna Municipality for effective service delivery but also to create a pool of scarce skills within the Knysna area. • Awarding 35 learnerships to general workers and foreman to get qualifications in water reticulation, water purification, waste water and supervisory construction • For many years lower level staff, who are mainly from previously disadvantaged groups, did not have training opportunities which would enable them to acquire the skills necessary for growth and development in the organization particularly in the technical fields. During the 2008/2009 financial year about 35 lower level staff (labourers) have been registered in learnerships in water purification, sewerage, water reticulation and electricity. One of the learners in the electricity department Z Mqudlwa has been promoted and is only one level from becoming a qualified electrician. • One of our ABET learners was selected as the best ABET level 4 learner in the region. He has been invited to represent the region at National Level . <p>2. <u>Municipal Organogram:</u></p> <ul style="list-style-type: none"> • The macrostructure has been amended in this reporting year to make provision for the creation of a new directorate of Planning and Development • Organizing the Heritage Day Celebrations in Sedgefield. 120 elderly people attended from the greater Knysna municipal area |
| Financial Services | <p>1. <u>Valuation Roll:</u></p> <ul style="list-style-type: none"> • Implementation of a new valuation roll of R 22 Billion in terms of Municipal Property Rates Act 6 of 2004 <p>2. <u>Audit Reports</u></p> <ul style="list-style-type: none"> • Clear Audit Report 2007/2008 <p>3. <u>Credit Control:</u></p> <ul style="list-style-type: none"> • Payment Ratio of 94% |
| Community Services | <p>1. <u>Libraries:</u></p> <ul style="list-style-type: none"> • The establishment of the first container library affiliated to the Provincial Government: Western Cape; |

| Directorate/ Functional division | Highlights 2008/09 |
|--|--|
| | <ul style="list-style-type: none"> • Securing funds through the Municipal Infrastructure Grant for extending the Knysna Library; <p>2. <u>Community Projects & Cleanup Campaigns:</u></p> <ul style="list-style-type: none"> • Implementation of Municipal wide clean up campaign. • Zero water usage in Municipal landscaped area (indigenous plantings); • 4,150 man day jobs created in the Parks Dept.; • Two play parks installed in Northern areas; • Purchase of wheelie bins and three new trucks with bin lifters for the implementation of the wheelie bins; <p>3. <u>Emergency Services</u></p> <ul style="list-style-type: none"> • The 24 hour operation of the Mother Station in town; • Replacing the old mobile fire fighting unit in Buffalo Bay; • Successful management of the Sedgefield water crisis; <p>4. <u>Law enforcement</u></p> <ul style="list-style-type: none"> • Successful management of public events from both Law-Enforcement- and Traffic officials • New and existing by-laws to curb anti-social behaviour on the streets, and other offences such as illegal dumping and informal trading, were vigorously enforced. Some 18 750 notices were issued during the financial year. <p>5. <u>Xenophobic Attacks:</u></p> <ul style="list-style-type: none"> • The outbreak of xenophobic violence on 22 May 2008 placed a severe strain on the resources of the Law Enforcement Department, which had to contribute to the establishment of safe sites, as well as providing them with security services. During the 2007/8 festive season, the Law Enforcement Department contributed greatly to safety on beaches and at resort areas. This contribution was widely regarded as a major success. |
| Technical Services | <p>1. <u>Drought Management</u></p> <ul style="list-style-type: none"> • Late 2008 and into 2009 the Southern Cape experienced the most severe drought in memory. • Emergency measures were implemented for Sedgefield and later for Knysna. • Water Demand Management and Awareness was elevated. • Comprehensive Integrated Water and Sanitation Business Plan for the Greater Knysna was prepared and submitted to the Western Cape Provincial Government Task Team. • Thanks to consultants who assisted and Disaster Management, Provincial & District. <p>2. <u>Roads</u></p> <ul style="list-style-type: none"> • Provincial Roads Department undertaking the upgrading of the Lagoon Road. • Knysna Toll Highway the EIA report was completed by SANRAL's consultants and final comments were made. • Construction of the final section of the Concordia bus route was started. • Construction of the new intersection on the N2 to serve Nekkie and Oupad was started. • Salt River road was upgraded and handed over by Simola to the Municipality. <p>3. <u>Water</u></p> <ul style="list-style-type: none"> • Karatara raw water main replacement and dam completed. • DWA Blue Drop/Green Drop evaluation undertaken, Knysna 3rd in Western Cape and received award for Most Promising Performance for Smaller System. • Feasibilities underway for augmentation of bulk water supplies for Knysna. • New water supply mains and reservoirs for Concordia started. <p>4. <u>Sewer</u></p> <ul style="list-style-type: none"> • ROD received for the upgrading of the Knysna Waste Water Treatment Works (WWTW) • Knysna Main Sewer pump station upgrade completed. |

| Directorate/ Functional division | Highlights 2008/09 |
|--|---|
| | <ul style="list-style-type: none"> Major maintenance and repairs undertaken to Knysna WWTW oxidation ponds. Repairs to collapsed sewer main in Waterfront Drive. Rheenendal WWTW upgrade brought into operation. <p>5. <u>General</u></p> <ul style="list-style-type: none"> Consolidated Infrastructure Plan submitted to Provincial Government Western Cape for Nation program Approval of 2007 flood relief funds were received in 2009 and projects initiated, R19 million. Repairs to sea wall at Leisure Island and Sedgefield Island erosion initiated. |
| Strategic Services | <p>1. <u>Neighbourhood Development:</u></p> <ul style="list-style-type: none"> We secured R 64 M from NDPG for Nekkie/Hornlee Township Development that led to private sector getting involved to develop a shopping mall in the Masifunde Node. <p>2. <u>Fifa Soccer World Cup 2010</u></p> <ul style="list-style-type: none"> Completion of Fifa 2010 Soccer World Cup Base Camp Business Plan. <p>3. <u>HIV/Aids and TB Strategy</u></p> <ul style="list-style-type: none"> Over the last year Council has had the foresight to prioritise the fight against HIV/Aids and TB, recognising that, without a concerted, multi-sectoral response to moderate both the impact of the epidemics and to address the underlying causes, key developmental priorities in Knysna would be in jeopardy. We developed a HIV/AIDS & TB Strategy to ensure a holistic approach to address this pandemic. These bring together all the local stakeholders involved in HIV/Aids and TB, i.e. NGOs, CBO's, local business, faith-based organisations, local officials, councillors and officials, to develop and drive a coordinated plan that addresses local needs. |
| Planning and Development | <p>1. <u>Departmental Integration:</u></p> <ul style="list-style-type: none"> The successful integration of the new Directorate: Planning and Development, comprising Directorates which emanated from three different Directorates <p>2. <u>Awards:</u></p> <ul style="list-style-type: none"> The Housing Directorate won three prestigious awards for housing delivery, namely the South African Housing Foundation, the Provincial Govan Mbeki and the National Govan Mbeki awards for Best Municipality. <p>3. <u>Pilots:</u></p> <ul style="list-style-type: none"> Inclusion in the Built Environment Support Program (PAWC) as a best practice for our Spatial Development Framework and the Integrated Human Settlement Strategy Selection as pilot sites for the Youth in Housing, Housing Consumer Education and Backyarder Upgrade initiatives |
| Electro- technical Services | <p>1. <u>Electrification:</u></p> <ul style="list-style-type: none"> Electrification of Concordia South Area Z <p>2. <u>Upgrading of Infrastructure:</u></p> <ul style="list-style-type: none"> Completion of Phase I of upgrading of the MV Network in the CBD. Installation of new MV link between the Eastford and salt River Substations Completing of Phase 1 of installing of new supply to the Brenton/Belvedere Areas Completing of phase 1 of installing of new MV 300mm² Aluminum cable link between Sedge West and Sedge East Substations |

Table 14: High-level performance highlights per main functional division

Additional performance statistics for 2008/09

| Description | 2008/09 | |
|---|-----------------|-----------------|
| Traffic services | | |
| Complaints attended by Traffic Officers | 2001 | |
| Special Functions - Escorts | 233 | |
| Motor Vehicle Licenses | 26,992 | |
| Drivers Licenses | 2,090 | |
| Traffic Offences –fines issued | 29,571 | |
| Fire Services | | |
| Operational call outs | 1,021 | |
| Libraries & Museums | | |
| Total number of new members registered | Target: 3,456 | Actual: 5,253 |
| Total number of items issued | Target: 380,000 | Actual: 489,805 |
| Total number of Study items issued | Target: 25,000 | Actual: 19,353 |
| Number of Computer users | Target: 5,900 | Actual: 11,974 |
| Time spent on Internet | Target: 2,000 | Actual: 14,366 |
| Extent of volunteer involvement days worked | Target: 500 | Actual: 452 |
| No of active Museum projects | Target: 24 | Actual: 50 |
| Total No of visitors of the Museums | Target: 10,400 | Actual: 12,500 |

Table 15: Additional performance statistics for 2008/09

Detailed information on the performance per KPA's per functional area is discussed in Chapter 4.

2.5 BASIC SERVICES DELIVERY**2.5.1 Provision of free basic services****Equitable services**

Despite these challenges, the target of giving all Council settlements access to a basic water supply was achieved by installing standpipes.

The free basic services with regards to electricity, water, sanitation and refuse removal provided by the Knysna Municipality during the 2008/9 financial year are summarized in the tables below:

Rates:

| Account description | R'000 |
|----------------------------------|---------------|
| Rates Rebate: Exemptions | 452 |
| Rates Rebate: Pensioners | 134 |
| Rates Rebate: Domestic 20% | 4 549 |
| Rates Rebate: Non-Urban Domestic | 4 968 |
| Rates Rebate: Government | 225 |
| Total | 10 328 |

Table 16: Rates rebates

Electricity:

| Account description | R'000 |
|--------------------------------------|--------------|
| Electricity Rebate: Bulk Development | 134 |
| Electricity Rebate: Free Units | 1 770 |
| Total | 1 904 |

Table 17: Free basic electricity

Water:

| Account description | R'000 |
|---------------------------|--------------|
| Water Rebate: Free Units | 2 684 |
| Water Rebate: Other | 35 |
| Water Rebate: R0-R2000 | 37 |
| Water Rebate: R2001-R2500 | 56 |
| Water Rebate: R2501-R3500 | 1 188 |
| Total | 4 000 |

Table 18: Free basic water

Sanitation:

| Account description | R'000 |
|------------------------------|--------------|
| Sewer Rebate: Other | 65 |
| Sewerage Rebate: R0-R2000 | 32 |
| Sewerage Rebate: R2001-R2500 | 50 |
| Sewerage Rebate: R2501-R3500 | 1 103 |
| Total | 1 250 |

Table 19: Free basic sanitation

Refuse removal:

| Account description | R'000 |
|----------------------------|--------------|
| Refuse Rebate: Other | 29 |
| Refuse Rebate: R0-R2000 | 36 |
| Refuse Rebate: R2001-R2500 | 55 |
| Refuse Rebate: R2501-R3500 | 1 160 |
| Total | 1 280 |

Table 20: Free basic refuse removal

Total Rates and Services provided free

| Account description | R'000 |
|---------------------|---------------|
| Rates | 10 328 |
| Services | 8 434 |
| Total | 18 762 |

Table 21: Total Rates and Services provided free

2.5.2 Access to basic municipal services

The following table indicates the number of households that gained access to the different types of basic services in the during the 2007/08 financial year:

| Type of service | 2007/08 | 2008/09 |
|-----------------|---------|---------|
| Housing | 436 | 248 |
| Water | 661 | 248 |
| Sanitation | 661 | 248 |
| Refuse removal | 436 | 663 |
| Electricity | 796 | 376 |
| Storm Water | 210 | 248 |

Table 22: Access to basic services – 2008/09

2.5.3 Summary of backlogs that must still be addressed

An analysis of a recent survey that was undertaken by the Eden District Municipality of regional infrastructure revealed the following:

- The local use of the bucket system is at 5,0%. (Toilet facilities in informal settlement and rural areas included). This can be contributed to the increase informal structures in the informal areas.
- Access to water supply in the Greater Knysna Area is almost 100% (8,1% use other water sources and does not have access to piped water.
- 1,8% of Households do not have access to refuse removal and 2% uses own refuse dump. This is mainly in the rural areas of Knysna Municipality.
- 84% of Households are using electricity for cooking and heating
- Electric lighting is reported to be available to the majority 93% of households in the Knysna area. This is a 3% increase in comparison to 2007/2008 financial year.
- An alarmingly high percentage of households still use candles for lighting in Wards 2, 3 and 4, probably reflecting the increase in the number of informal settlements in the area. There's a focused approach to deal with this challenge in the poverty stricken wards.

The following table indicates the backlogs still to be addressed in the Knysna municipal area:

| Area | Total nr of households | Timeframe to be addressed | Cost to address R'000 |
|---|------------------------|--|------------------------------|
| Housing | 7981 | 15 years assuming funding is available | R800 000 (at existing costs) |
| Water | 591 | 5 years | R 10 M |
| Sanitation | 3682 | 5 years | R 13 M |
| Refuse removal (at least once a week at site) | 0 | 0 | 0 |
| Electricity (in house) | 230 Hlalani | Depending on funding by July 2010 | R2 million |
| Streets and storm water | - | - | - |

Table 23: Service delivery backlogs

2.5.4 Capital budget spent on municipal services¹

The percentage (%) of the approved budget spent by each municipal service for the 2007/08 and 2008/09 financial years is as follows:

| Financial Year | Housing (%) | Water (%) | Waste Water-Sanitation & Stormwater (%) | Refuse Removal (%) | Electricity (%) | Roads & Transport (%) | Community facilities (%) | Other services (%) |
|----------------|-------------|-----------|---|--------------------|-----------------|-----------------------|--------------------------|--------------------|
| 2007/2008 | 28.44 | 9.44 | 6.36 | 1.53 | 13.91 | 3.90 | 2.35 | 2.41 |
| 2008/2009 | 28.10 | 16.81 | 9.21 | 5.79 | 9.30 | 9.44 | 4.70 | 4.32 |

Table 24: CAPEX

¹ **Note:** Used Appendix C & E (2) of AFS.

2.5.5 Spending on capital budget

| Fin year | % of Capital budget spent | Reasons for under spending |
|------------|---------------------------|---|
| 2007/ 2008 | 68.34 | <ul style="list-style-type: none"> As a result of Councils decision to suspend the Sedgefield Waterworks program due to insufficient grant funding |
| 2008/ 2009 | 87.65 | <p>The following projects resulted in the largest under spends:</p> <ul style="list-style-type: none"> N & NE Bulk Water (Loan) (2.1 Million) Technical Services New Cemetery Knysna/Sedgefield (1.6 Million) Community Services Densification Electricity System: Knysna (1.3 Million) Electrical Services Nelson Street Substation (0.8 Million) Electrical Services Raw Water Pump Station (0.7 Million) Technical Services New Reservoir at Old Place (0.5 Millon) Technical Services |

Table 25: Capital budget spending

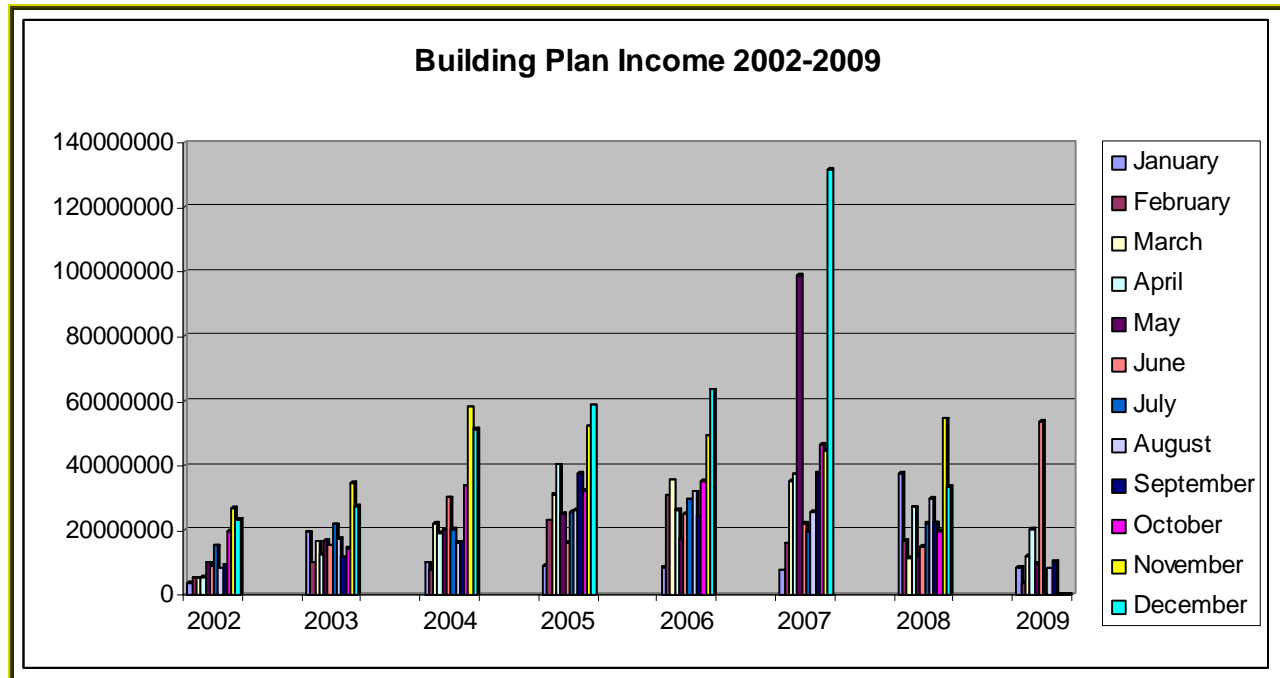
2.5.6 Housing

There is currently a waiting list for approximately 8 000 housing units. A total amount of R38.9million was spent on housing during the financial year under review. A summary of houses built, includes:

| Fin year | Available funding R'000 | Amount spent R'000 | % spent | Number of houses built | Number of sites served |
|------------|----------------------------|-----------------------|---------|---------------------------|---------------------------|
| 2008/ 2009 | R30mil | R38.9mil | 125% | 245 | 508 |

Table 26: Housing

During the 2008/09 financial year the municipality received 419 building plans with a total value of R 267 895 592.



2.5.7 Municipal infrastructure and other grants

The Municipality received grants totaling R 90,583 million, approximately R 64,988 million for housing, infrastructure and other capital projects from National and Provincial Government and other Donors during the 2008/09 financial year. The performance in spending these grants can be summarized as follows:

Municipal Infrastructure Grant (MIG) & Disaster Funds/Allocations

| MIG allocation | Available funding 2008/09 & unspent balance from previous years R'000 ² | Amount spent (capital & operating) R'000 | % spent |
|---|--|--|---------|
| 2008/2009 | 9,921 | 4,866 | 49.05 |
| 2008/2009 additional disaster allocation | 15,514 | 2,288 | 14.75 |
| 2006/2007 additional disaster allocation | 12,118 | 5,678 | 46.86 |

Table 27: MIG

² Taken as the portion received in 2008/2009 – this DOES INCLUDE the unspent balance carried forward from previous years

The normal MIG grant for 2008/09 was utilised on the following projects:³

| Project | Capital R'000 | Operating R'000 |
|--------------------------------------|------------------|--------------------|
| Project Management Unit | 18 | 358 |
| Town Library Extension | 70 | - |
| Concordia High Mast Lights | 178 | - |
| Labour Intensive Sidewalks | 63 | - |
| Dam-se-Bos Sewer Extension | 546 | - |
| Karatara Raw Water Line | 2,781 | - |
| North & North East Bulk Water Supply | 458 | - |
| VAT on unspent grants | - | 393 |

Other Grants for Capital projects

| Financial year | Name of grant and Directorate | Project | Available funding 2008/09 R'000 | Amount spent R'000 | % spent |
|----------------|--|---|---------------------------------------|---------------------------------|------------|
| | Integrated Electrification Program / National: Minerals & Energy | Electrification of Infill Erven | 240 | 240 | 100 |
| 2008/09 | Integrated Housing & Human Settlement / Local Government & Housing | Vision 2002; Flenters/Robololo; Sedgfield Infill | 41,868 (operating & capital) | 41,972 (operating & capital) | 100 |
| | Library services / Arts & Culture | PALS and Tattle Tape System | 98 | 98 | 100 |
| | Non-Motorised Transport | Side walks | 496 | 496 | 100 |
| | District Priority Funding / EDEN | Nekkies/Hornlee Intersection | 1,637 | 2,565 | 157 |
| | National Lottery Distribution Board/Fund | Construction & Upgrade of Karatara & Bloemfontein Sports facilities | 333 | 413 | 124 |
| Total | | | 44,672 | 45,784 | 103 |

Table 28: Other capital grants

³ Taken out of AFS and agrees to Appendix F of AFS

2.5.8 Spending priorities for next financial year with regards to service delivery

The spending priorities for the 2009/10 financial year as approved in the budget are as follows:

MTREF approved for 2009/2010

| Project | Funding available 2009/10 R'000 |
|----------------------------------|------------------------------------|
| Vision 2002 | R 8.8 M |
| Top Structures(248) | R 15,1M |
| Extension of Slabs & Platforms | R 2.7 M |
| Sedgefield Top structures(45) | R 2.48 M |
| TOTAL | R 29,08 M |

Table 29: MTREF approved for 2009/2010

2.6 LOCAL ECONOMIC DEVELOPMENT

LED Strategy

The LED strategy for the Knysna Municipality was finalized and was approved by Council in December 2008. The strategy was developed after a comprehensive process with all stakeholders. It identifies various issues and 6 strategic objectives for intervention such as:

- **Conducive environment**

Knysna Local Municipality plays an essential role in LED and their mandate is to create an environment enabling promote local economic development. Local Government contributes to this pillar through their main activities such as procurement etc. which will attract and not deter investment.

- **Broadening the economic base**

The local economy of Knysna is strongly focused on the services sector and this pillar supports specifically activities leading to the expansion of the services sector specifically retail and business opportunities. The establishment of this sector will lead to SMME's and larger investors providing goods and services which are sustainable and will lead to an increased investment and economic growth in the area.

- **Increased accessibility**

To ensure that all people living in the Knysna area have better access to improved services

- **Infrastructure investment**

The physical infrastructure in Knysna needs to have a sufficient carrying capacity to meet the needs of the citizens of the area. Therefore be it housing or bulk services, this type of investment is essential to promote LED in the area which is environmentally friendly.

- **Wealth creation**

In order for Knysna's economy to grow it is essential that the local economy grows through more investment and businesses being introduced into the area. The business opportunities which relate to specific leading sectors have been identified to diversify these sectors and create opportunities for local SMME's relating to viable business opportunities.



- **Attracting visitors and investors**

Knysna's local economy is built on the opportunities created by tourists visiting the area. It is essential that the tourism industry be further developed and investment into this industry be promoted to ensure continuous growth.

Growth and Development Strategy (GDS)

Progress with regard to the implementation of the GDS can be summarized as follows:

1) Establishment of a Municipal Development Agency

The Pre-Establishment agreement between Knysna Municipality and Industrial Development Corporation was signed.

The Industrial Development Corporation and Knysna Municipality signed the Pre-Establishment Agreement and the first transfer of funds from IDC to the value was made into a lawyers account of Knysna Municipality. A Coordinator will be appointed for a three months period.

(a) As part of the Social Corporate Investment programmes of IDC, Me Judy Abrahams (Senior Accounts Manager Western Cape) in conjunction with our Executive Mayor selected Derethecia Petersen for the IDC Adopt a Child Programme from Knysna Secondary School. IDC pay for all tuition cost for a Mathematical and Science tutor, school fees, stationary and winter school costs

(b) IDC also gave Amanda Ndlanga a LED Officer the opportunity to study at University of Western Cape in Local Economic Development for a year.

2) DEVELOPMENT OF A LED PLAN

The LED Plan was completed as well as the community consultation process to ascertain the view of the public. The first review of the LED Strategy will take place parallel to the IDP review process.

3) SMME Incubator

The KLM has assisted 14 Entrepreneurs through its SMME Incubator with equipment to run their businesses effectively. Red Door has assisted the entrepreneurs with their Business Plans. The LED Unit assisted 75 Entrepreneurs with training in Business Management.

4) NEIGHBOURHOOD DEVELOPMENT (NDPG):

The Business Plan & Marketing Plan of this development was submitted to numerous investors to secure their involvement. A second application for Nekkie/Hornlee was submitted to National Treasury and a amount of **R 64M** was approved for this project. The Masifunde and Nekkie/Hornlee Projects are in the process of being integrated as single Neighbourhood Development Project. A Township Regeneration Strategy (long term strategy-20 year plan) will be in the process of being developed for all township areas. The Knysna Municipal Development Agency will implement this project and attract private investors into the townships. The Directorate Strategic Services secure the construction of a Community Health Centre in the Masifunde Node. Construction will commence in January 2010. The Eastern Gateway Nodal Development (Nekkie/Hornlee) is to respond to the existing spatial public structure but recognizes the potential for future sustainable development opportunities, which:

Project 1: Development of transport, access, circulation, stop & drop facilities

Project 2: Building of pedestrian walkways and platforms

Project 3: Trading facilities for informal traders

Project 4: Upgrade of the Civic Node

Project 5: Development of Community Parks and Open Spaces

Project 6: Development of the Eastern Lagoon Edge Multi-purpose Park and Pedestrian/ Cycle Way

Project 7: Development of Sport Facilities and Amenities

5) LED INTERNSHIP PROGRAMME

The appointment of 10 LED Interns in the LED Unit has created a vibrancy and effective implementation of LED Projects. These Interns will be trained for one year in the field of LED. Six of these interns have been appointed as LED Officers in the LED Unit on a year contract basis.



6) BBBEE:

The Local Economic Development Unit, Department of Economic Development and Tourism trained 50 SMME's on Broad Based Black Economic Empowerment to familiarize the BBBEE Code and legislation.

7) LAUNCH OF THE KNYSNA CONTRACTOR DEVELOPMENT PROGRAMME

The LED Unit piloted the Knysna Emerging Contractor Development Programme in conjunction with the following partners:

- Lekamva Academy,
- Northlink College,
- Construction Education Training Authority,
- National Black Contractors Allied Trades Forum Western Cape and
- Department Public Works and Transport Western Cape.

A total of 120 Emerging contractors were trained over a two week period in all aspects of the contracting field. Two of this contractors secured contracts to the value of R 4 M from the upgrade of the Knysna Lagoon road.

11) LED INTERNSHIP PROGRAMME

Six out of the 10 LED Interns has been appointed as LED Officers in the LED Unit. This LED Internship Programme was funded in conjunction with Eden District Municipality.

12) TOURISM & TOURISM DEVELOPMENT:

Tourism is a key economic driver for economic development, and for creating opportunities for communities to become economically active. As Cape Town gears up for an unprecedented number of visitors during the 2010 FIFA World Cup™, meeting growth targets remains a focus. During 2008/09 the Council supported Knysna Tourism and its mandate has since been extended to include destination-marketing. A Service provider will be appointed to draft a Tourism Master Development Plan to ensure a holistic approach to tourism development.

13) SPORTS DEVELOPMENT:

The Sports Development Unit secured funding from the National Lottery Distribution Fund/Board for the upgrading and construction of sports facilities in the municipal area. We are in the process of constructing netball fields and ablution facilities in Karatara.